

Local Publications (M) Sdn Bhd v Sliya Nu Printing Sdn Bhd and another suit A

HIGH COURT (KUALA LUMPUR) — CIVIL SUIT B
NOS WA-22IP-26-04 OF 2018 AND WA-22IP-42-07 OF 2018
LIM CHONG FONG J
27 MARCH 2019

Copyright — Infringement — Ownership of copyright — Letters of commissioning executed for publication of manuscript for welding technology manuals — Whether there was infringement of copyright by defendant printer — Whether there was breach of letters of commissioning by defendants author — Copyright Act 1987 s 27 C

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This was a copyright ownership dispute in respect of the publication of reference books for vocational collages involving two suits, the first being in relation to the printer's and the second being in relation to the authors. The plaintiff in both suits was a private limited company involved in the business of production, publication and distribution of school test, work and reference books. The defendant in the printer's suit was a private limited company involved in the printing business while the defendants in the authors' suits were individuals and teachers in vocational schools/colleges. The defendant in the printer's suit was sued for copyright infringement whilst the defendants in the authors' suit was sued in relation to breach of contract. The facts of the case were that the plaintiff had approached all the defendants in the authors suit and another to participate as authors of a manuscript for welding technology manuals which would be published by the plaintiff and meant for use in diploma courses of Malaysian vocational colleges. All the parties were receptive and attended a meeting at the plaintiff's office to finalise their joint efforts to produce the publication of the manuals. At the close of the meeting, the parties executed four sets of letters of commissioning prepared by the plaintiff for the publication of the manuals. After the execution of their respective commissioning letters, the defendants in the authors' suit proceeded to produce their manuscripts, two meetings and multiple email communications continued between them. The defendants in the authors' suit were paid in advance royalty payment amounting to RM2,500 per person by the plaintiff. Having received the manuscripts from the defendants, the plaintiff reviewed them and notified the defendants to revise 11 of the 20 manuscripts, however there was no response from the defendants and the plaintiff sent them an email reminder. The plaintiff was verbally informed by the first defendant that all of the defendants were no longer interested to continue with the plaintiff to jointly publish the books. Subsequently, a meeting was held but it was not conclusive. The plaintiff then notified the defendants by email that the revision E
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- A on the 11 manuscripts be put on hold which caused the printing of the books to be suspended. There were subsequent correspondences between the plaintiff and the defendants where the defendants were demanding for their royalties while the plaintiff was requesting for the memorandums of agreement that was executed. In the meantime, the defendants in the authors' suit and the
- B defendants in the printer's suit were in communication and the former handed over the manuscripts of many of the books for publication by the latter.

Held, allowing the plaintiff's claims with costs for RM20,000 for the printer's suit and RM40,000 for the author's suit:

- C (1) The defendants in the authors' suit did not adduce any cogent evidence that satisfactorily supported the defence of *non est factum*. This was because they comprehended the contents of the commissioning letters. Even if they were truly not able to comprehend them, they were careless
- D for not asking for a postponement to seek legal advice before executing them. In the circumstances and based on the court's objective construction of cl 19 of the commissioning letters, the commissioning letters were contract documents that bind the parties (see paras 39–40).
- E (2) The terms on copyright and contractual status of the agreements were as set out in cll 16 and 17 as well as cl 19 of the commissioning letters respectively. By virtue of cl 16, the defendants in the authors' suit had transferred by way of assignment of their copyright in the manuscripts of the books to the plaintiff and accordingly by cl 17, they were prohibited
- F from again dealing with other parties on the same. Moreover, by cl 19, the parties envisaged the execution of a further written agreement in respect of terms not dealt with in the commissioning letters. By cl 16 of the commissioning letters read with s 27(1) and (3) of the Copyright Act 1987, it was plain that the copyright in the manuscripts of the books were assigned to the plaintiff (see paras 41 & 43).
- G (3) The defendants in the author's suit never had copyright in the manuscripts of the book in the first instance because it was the plaintiff who commissioned them to undertake the same. The copyright in the manuscripts of the books plainly belonged to the plaintiff at all material
- H times. As a result, the defendants were thus liable to the plaintiff for breach of contract particularly cl 17 of the commissioning letters by their dealing with the defendant in the printer's suit to publish the infringing books. Further, the defendants was also liable to the plaintiff for
- I copyright infringement by publishing the infringing books and distributing them for sale (see paras 45 & 47–49).

[Bahasa Malaysia summary]

Ini merupakan pertelingkahan hak cipta berkaitan dengan penerbitan buku rujukan untuk kolej vokasional yang berkaitan dengan dua guaman, yang

pertama berkaitan dengan pencetak dan yang kedua berkaitan dengan penulis. Plaintif dalam kedua-dua guaman merupakan satu syarikat sendirian berhad yang berkait dengan perniagaan penerbitan dan pengedaran ujian sekolah, kerja dan buku rujukan. Defendan dalam guaman pencetak merupakan satu syarikat sendirian berhad yang berkaitan dengan perniagaan pencetakan manakala defendan dalam guaman penulis merupakan individu dan guru di sekolah/kolej vokasional. Defendan dalam guaman pencetak disaman berkaitan dengan pelanggaran kontrak. Fakta kes adalah bahawa plaintif telah mendekati kesemua defendan dalam guaman penulis dan satu lagi untuk terlibat sebagai penulis untuk satu manuskrip buku panduan teknologi kimpalan yang akan diterbitkan oleh plaintif dan bertujuan untuk digunakan dalam kursus diploma kolej vokasional Malaysia. Semua pihak terbuka dan menghadiri satu perjumpaan di pejabat plaintif untuk memuktamadkan usahasama mereka untuk menerbitkan buku panduan tersebut. Selepas pelaksanaan surat penempahan masing-masing, defendan dalam guaman penulis mula untuk membuat manuskrip mereka, dua perjumpaan dan beberapa komunikasi emel berterusan antara mereka. Defendan dalam guaman penulis telah dibayar pendahuluan pembayaran royalti sebanyak RM2,500 setiap seorang oleh plaintif. Setelah menerima manuskrip dari defendan-defendan, plaintif telah mengkajinya dan memaklumkan kepada defendan-defendan untuk menyemak 11 daripada 20 manuskrip, namun tiada balas daripada defendan dan plaintif telah menghantar satu peringatan melalui emel. Plaintif telah dimaklumkan secara lisan oleh defendan pertama bahawa kesemua defendan tidak lagi berminat untuk terus bersama plaintif untuk secara bersama menerbitkan buku tersebut. Kemudiannya satu mesyuarat telah diadakan akan tetapi ianya tidak konklusif. Plaintif telah kemudiannya memaklumkan kepada defendan melalui emel bahawa semakan 11 manuskrip diberhentikan sementara yang menyebabkan pencetakan buku tergendala. Wujud surat-menyurat diantara plaintif dan defendan yang mana defendan menuntut royalti mereka manakala plaintif meminta memorandum persetujuan yang dilaksanakan. Sementara itu, defendan dalam guaman penulis dan pencetak berkomunikasi dan defendan dalam guaman penulis menyerahkan manuskrip buku-buku tersebut untuk dicetak oleh defendan dalam guaman pencetak.

Diputuskan, membenarkan tuntutan plaintif dengan kos sebanyak RM20,000 untuk guaman pencetak dan RM40,000 untuk guaman penulis:

- (1) Defendan dalam guaman penulis tidak mengemukakan apa-apa keterangan yang meyakinkan yang menyokong secara memuaskan pembelaan *non est factum*. Ini adalah kerana mereka memahami kandungan surat penempahan. Jikalau sekalipun mereka sememangnya tidak boleh memahaminya, mereka cuai kerana tidak meminta satu penangguhan untuk mendapatkan nasihat undang-undang sebelum melaksanakannya. Dalam keadaan ini dan berdasarkan pentafsiran

- A objektif mahkamah berkenaan klausa 19 surat penempahan, surat penempahan merupakan dokumen kontrak yang mengikat pihak-pihak (lihat perenggan 39–40).
- B (2) Terma berkaitan dengan hak cipta dan status kontrak perjanjian-perjanjian termaktub dalam klausa 16 dan klausa 17 dan juga klausa 19 surat penempahan. Berlandaskan klausa 16, defendan dalam guaman penulis telah memindahkan dengan cara penyerahhkan hak cipta mereka dalam manuskrip buku-buku kepada plaintif dan selaras dengan klausa 17, mereka dilarang daripada membuat urusan dengan pihak lain berdasarkan perkara yang sama. Tambahan lagi,, melalui
- C klausa 19, pihak-pihak membayangkan pelaksanaan perjanjian bertulis lanjut berkaitan dengan terma yang tidak ditangani dalam surat penempahan. Berdasarkan klausa 16 surat penempahan dibaca bersama s 27(1) dan (3) Akta Hak Cipta 1987, adalah jelas bahawa hak cipta dalam manuskrip buku tersebut diserahkan kepada plaintif (lihat perenggan 41 & 43).
- D (3) Defendan dalam guaman penulis tidak pernah memiliki hak cipta dalam manuskrip buku kerana plaintif telah menempah mereka untuk melakukan perkara yang sama. Hak cipta dalam manuskrip buku tersebut dengan jelas dimiliki oleh plaintif pada semua masa yang material. Sebagai kesan, defendan adalah bertanggungjawab kepada plaintif untuk pelanggaran kontrak secara khususnya klausa 17 surat penempahan melalui urusan mereka dengan defendan dalam guaman pencetak untuk menerbitkan buku yang melanggar hak tersebut dan
- E mengedarkan mereka untuk penjualan (lihat perenggan 45 & 47–49).]
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Notes

For cases on ownership of copyright, see 3(4) *Mallal's Digest* (5th Ed, 2018 Reissue) paras 8129–8130.

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Cases referred to

- Asiapools (M) Sdn Bhd v IJM Construction Sdn Bhd* [2010] 3 MLJ 7, CA (refd)
- Elster Metering Limited & Anor v Damini Corporation Sdn Bhd & Anor* [2012] MLJU 1753; [2012] 1 LNS 959, CA (refd)
- H *Hexagon Tower Sdn Bhd v Polydamic Holdings Sdn Bhd & Ors* [2005] 1 LNS 77, HC (refd)
- Inntrepreneur Pub Co (GL) v East Crown Ltd* [2000] 2 Lloyd's Rep 611; [2000] 3 EGLR 31, Ch D (refd)
- Malayan Banking Bhd v Marilyn Ho Siok Lin* [2006] 7 MLJ 249, HC (refd)
- I *RHB Bank Bhd (substituting Kwong Yik Bank Bhd) v Kwan Chew Holdings Sdn Bhd* [2010] 2 MLJ 188, FC (refd)
- Rock Records (M) Sdn Bhd v Audio One Entertainment Sdn Bhd* [2005] 3 MLJ 552; [2005] 1 CLJ 200, HC (refd)
- Solid Investments Ltd v Alcatel-Lucent (M) Sdn Bhd (previously known as Alcatel*

Network Systems (M) Sdn Bhd [2014] 3 MLJ 785; [2014] 3 CLJ 73, FC (refd) A
Trimingham v Associated Newspapers Ltd [2012] EWHC 1296 (QB), QBD (folld)

Legislation referred to B

Copyright Act 1987 ss 10, 26, 26(2), 27, 27(1), (3), 36
Stamp Act 1949 s 52

John Yong Tee Kong (Lau Yi Leong with him) (John Yong & Irene Song) for the plaintiff. C
Ahmad Zaharil bin Muhaiyer (Nurfadhillah bt Zahari with him) (AM Zaharil & Co) for the defendants.

Lim Chong Fong J:

INTRODUCTION D

[1] This is a copyright ownership dispute in respect of the publication of reference books for vocational colleges. E

[2] The plaintiff in both Suit No WA-22IP-26-04 of 2018 ('printer's suit') and Suit No WA-22IP-42-07 of 2018 ('authors' suit') (collectively 'suits') is a private limited company involved in the business of production, publication and distribution of school test, work and reference books. F

[3] The defendant in the printer's suit is also a private limited company involved in the printing business.

[4] The defendants in the authors' suit are individuals and teachers in vocational schools/colleges. G

[5] In the printer's suit, the plaintiff sued the defendant for copyright infringement and claimed for the following reliefs in para 16 of its amended statement of claim: H

(a) Satu injunksi untuk menghentikan Defendan dan/atau agen-agennya daripada segala pencetakan, jualan, penyalinan, pengedaran Buku-buku Tanpa Izin tersebut dan lain-lain perbuatan yang melanggar hakcipta Plaintiff dalam Buku-buku berlesen tersebut; I

(b) Satu perintah supaya Defendan menyerahkan dan/atau memusnahkan segala Buku-buku Tanpa Izin tersebut;

(c) Gantirugi am bagi pelanggaran hakcipta terpelihara ditaksirkan;

(ca) Gantirugi statutori menurut kepada seksyen 37(1)(d) Akta HakCipta 1987;

- A** (d) Bahawa Defendan diperintahkan untuk mengemukakan dokumen-dokumen berkenaan hasil jualan Buku-buku Tanpa Izin tersebut termasuk tetapi tidak terhad kepada akaun-akaun, baucar bayaran, butir-butir cek dan resit resmi;
- (e) Bahawa Defendan diperintahkan untuk membayar hasil jualan Buku-buku Tanpa Izin tersebut kepada Plaintiff;
- B** (f) Faedah atas jumlah penghakiman pada kadar 5% sebulan dari tarikh penghakiman sehingga penyelesaian penuh;
- (g) Kos atas dasar peguamcara dan anak guaman;
- (h) Kos tindakan ini; dan
- C** (i) Lain-lain relif yang Mahkamah Yang Mulia ini berpendapat patut dan adil.

[6] In the authors' suit, the plaintiff sued the defendants for breach of contract and claimed for the following reliefs in para 32 of its statement of claim:

- D** (a) Satu deklarasi bahawa Defedan-defendan selaku pengarang-pengarang Buku-buku Plaintiff tersebut telah menyerahkan hak (assigned) hakcipta bagi Buku-buku Plaintiff tersebut kepada Plaintiff melalui pelaksanaan Perjanjian tersebut.
- E** (b) Satu deklarasi bahawa berikutan penyerah hak hakcipta terpelihara (assignment of copyright) daripada Defendan-defendan kepada Plaintiff, Plaintiff adalah pemilik hakcipta Buku-buku tersebut;
- F** (c) Satu deklarasi bahawa Defendan-defendan telah memungkiri/melanggari Perjanjian tersebut apabila Defendan-defendan telah membenarkan dan/atau memberi kuasa kepada mana-mana pihak ketiga termasuk Sliya Nu Printing Sdn Bhd untuk mencetak, menjual dan mengedarkan Buku-buku Tanpa Izin tersebut ke kolej-kolej vokasional di Malaysia;
- G** (d) Gantirugi am bagi pelanggaran Perjanjian tersebut untuk ditaksirkan oleh Mahkamah yang mulia ini;
- (e) Gantirugi teladan;
- (f) Faedah;
- H** (g) Kos atas dasar peguamcara dan anakguam;
- (h) Kos tindakan ini; dan
- (i) Lain-lain relif yang Mahkamah Yang Mulia ini berpendapat patut dan adil.

I PRELIMINARY

[7] The trial of the suits was jointly heard together and took three days on 26 and 27 December as well as 31 December 2018.

[8] The trial documents comprised of Bundles BP1, BP2, A, B1–B59, C, D, E, F, G and H including the documentary evidence in Bundles A and B1–B59 which were consented to by the parties to carry status A and status B respectively. A

[9] The witnesses who testified for the plaintiff in the trial are as follows: B

(a) Steven Hoe Chee Kong ('PW1') who is the founder and a director of the plaintiff; and

(b) Tee Shwu Yun ('PW2') who is the chief executive manager of the plaintiff, C

whereas the witnesses who testified for the defendants in the trial are as follows:

(a) Lee Keng Lim ('DW1'), the managing director of the defendant in the printer's suit; D

(b) Jalaludin bin Hamzah ('DW2'), the first defendant himself in the authors' suit;

(c) Norazzah bt Abdullah ('DW3'), the second defendant herself in the authors' suit; E

(d) Masnawi bin Md Yusof ('DW4'), the third defendant himself in the authors' suit; and

(e) Zainal bin Hussain ('DW5'), the fourth defendant himself in the authors' suit. F

[10] After the close of trial, the parties submitted their respective written closing submissions(s) and oral clarification with counsel was held on 28 February 2019. G

BACKGROUND FACTS

[11] These background facts are derived from the statements of agreed facts and as found by me from the evidence adduced at the trial. H

[12] Sometime in early May 2016, the plaintiff approached all the defendants in the authors' suit as well as their colleague, a Daud bin Shariff to participate as authors of manuscript for welding technology manuals. These manuals which would be published by the plaintiff are meant for use in diploma courses of Malaysian vocational colleges. I

[13] All the parties save for Daud bin Shariff were receptive and the plaintiff invited the defendants in the authors' suit to attend a meeting. Consequently a

A meeting was held between PW2 and DW2, DW3, DW4 and DW5 on 30 May 2016 at the plaintiff's office to finalise their joint efforts to produce the publication of the aforesaid manuals.

B [14] As the result, the parties at the close of the meeting executed four sets of letter of commissioning prepared by the plaintiff for the publication of the aforesaid manuals for semesters 1, 2, 3, and 4 of the diploma course ('commissioning letters'). There were therefore 16 commissioning letters in total that were executed between the defendants in the authors' suit and the plaintiff respectively. The terms of the commissioning letters are identical and read as follows:

Our usual terms and conditions apply:

- (1) Please provide accurate and up-to-date material.
- D** (2) Please ensure all terms and vocabularies used are in accordance with the requirements of the project.
- (3) Material used in the manuscript must be based on the requirements of the latest syllabus and examination format.
- E** (4) Please provide complete answers for all the questions in separate files.
- (5) Please provide all pictures/photographs/artwork/illustrations or clear briefs/sketches for pictures/photographs/artwork/illustrations that are being used in the manuscript.
- F** (6) Please ensure that all material provided is original.
- (7) If the material is taken from a source, please cite the source and provide full publication details i.e. title, author, publisher, year of publication, place of publication. Do bear in mind that copyright/permission fees for material requiring such fees are borne by the author, or may be deducted from the fee paid to the author preparing the manuscript for us.
- G** (8) Do bear in mind that adapted material (text and illustrations) which are recognizable are still bound by copyright laws.
- (9) You are required to clear all the necessary permissions for copyright-bound materials. We shall provide you with the guidelines and templates for so doing as required.
- H** (10) Written permission for the reproduction of copyright material (text and illustrations) must be obtained by you before 30 October 2016 and submitted to us.
- I** (11) Pleased be informed that if, at the last minute, we are unable to obtain copyright clearance for copyright-bound material (text and illustrations) submitted to us, you will be required to substitute the copyright-bound material with original material.

- (12) Please be informed that we may require you to do one round of checking for this publication. **A**
- (13) Please submit your original manuscript (hard copy) together with a soft copy of the manuscript (typed in computer with Microsoft Word). Soft Copy of the manuscript also can send via email: production.localpublications@gmail.com. **B**
- (14) Please be reminded that we may require you to add, amend or replace material to improve the contents or concept of the manuscripts.
- (15) Please be informed that we may require you to revise the manuscript if there is a change in format (examination, syllabus, etc.) **C**
- (16) In consideration of the sums payable to you hereunder, with full title guarantee you hereby assign, where relevant by way of present assignment of future copyright, to Local Publications (M) Sdn Bhd the entire copyright and all other rights whatsoever nature in and to the work throughout the world including for the avoidance of doubt any database rights (for the duration of such rights) and all Electronic Form Rights for the full period of copyright and all renewals, extensions and revivals thereof. **D**
- (17) You shall not initiate new discussion with any other 3rd parties that are likely to be in conflict with this project or which render this project not possible to execute. **E**
- (18) You agree in good faith that all materials and information concerning the manuscript and this commissioning letter are confidential and will not be disclosed to any 3rd party. **F**
- (19) The commissioning letter is not intended to be an exhaustive enunciation of the terms of the agreements subsequently to be determined between us. The detailed terms of the co-operation and all other rights and obligations are subject to the execution and delivery of definitive agreements with respect to the co-operation contemplated by this commissioning letter. **G**

The submission date for the entire manuscript is ____.

We will pay a Royalty of __% based on the invoice price of the book we're sold. The Royalty will be count every 12 months of calendar from Launching Date.

If sharing, the royalty will be share equally with ____ **H**

Do take note that the manuscript can be rejected or the author's fee may be adjusted and shared accordingly with other authors if the manuscript

- (a) does not show the expected quality, **I**
- (b) is not completed on time.

If you accept this offer, kindly sign the duplicate of this letter and send it back to us within 7 days.

We look forward to working successfully with you on this project.

- A** Thank you and best wishes.
Your sincerely,
Production Dept.
- B** Local Publications (M) Sdn Bhd
I hereby accept the offer to write material for the title mentioned above and will comply with the terms and conditions stated.
Signature:
- C** Name:
I/C no:
Date:
- D** [15] After the execution of the respective commissioning letters, the defendants in the authors' suit proceeded to produce their manuscripts as monitored by PW2. There were meetings held in the plaintiff's office, Kolej Vokasional Lebu Catur in Ipoh and IPG Bandar Enstek in Sepang as well as email communications between them.
- E** [16] Subsequently, the parties between 9 February 2017 and 1 August 2017 executed 20 *memorandum perjanjian* ('memorandums of agreement') for the publication of the following books:
- F** (a) MTK 1012: Amalan dan Prosedur Keselamatan 1;
(b) MTK 1023: Bahan dan Bahan Luak;
(c) MTK 1032: Pemotongan Mekanikal;
(d) MTK 1043: Kimpalan Arka Logam Berperisai 1;
- G** (e) MTK 2013: Simbol Kumpulan dan Lukisan Geometri;
(f) MTK 2022: Pemotongan Thermal;
(g) MTK 2033: Kimpalan Arka Logam Berperisai 2;
(h) MTK 2043: Kawalan Kualiti 1;
- H** (i) MTK 3011: Proses Prapanas;
(j) MTK 3043: Kimpalan Gas Arka Tungsten 1;
(k) MTK 4024: Kimpalan Gas Arka Tungsten 2;
- I** (l) MTK 4034: Kimpalan Arka Logam Berperisai 3;
(m) MTK 5014: Amalan Kesihatan dan Keselamatan Persekitaran;
(n) MTK 5022: Penyelenggaraan Kemudahan Peralatan dan Bahan Luak;
(o) MTK 5034: Kimpalan Arka Logam;

- (p) MTK 5042: Kawalan Kualiti; A
- (q) MTK 6033: Pengurusan Fabrikasi Kimpalan;
- (r) MTK 7023: Fungsi Penyeliaan;
- (s) MTK 7043: Manual Jaminan Kualiti; and B
- (t) MTK 8022: Aplikasi Perisian Komputer (collectively 'books'). B

[17] Likewise, the terms of the memorandums of agreement are identical and they read as follows:

1. Menerbitkan hasil penulisan C

- (a) Pengarang telah menghasilkan naskah menggunakan jenis bahasa yang bertajuk: ____.
- (b) Penerbit telah bersetuju, merujuk kepada naskah yang telah disiapkan dan diluluskan, merujuk juga kepada tema dan syarat di mana Buku yang diterbitkan selepas itu hendaklah di atas perbelanjaan sendiri. D
- (c) mengikut perhitungan dan isi kandungan perjanjian, salinan atau penyalinan semula Buku serta sebarang penterjemahan naskah edisi yang seterusnya hendaklah juga dicetak nama Penerbit. E

SETELAH DIPERSETUJUI PERJANJIAN INI ADALAH SEPERTI BERIKUT:

2. Percetakan dan Ilustrasi

Pengarang hendaklah mengirimkan Buku kepada Penerbit mengikut tarikh yang telah ditentukan oleh Penerbit dan memenuhi tuntutan pihak pencetak dengan menyempurnakan naskah berserta isi kandungan, indeks dan ilustrasi agar Buku bebas dari sebarang tuntutan dan peniruan atau apa-apa yuran tambahan yang dikenakan keatas penulisan, lukisan, gambar lakaran peta dan gambar rajah (selepas ini kenali sebagai Ilustrasi) yang akan digunakan dalam menerbitkan Buku mengikut karya yang disediakan Pengarang, dan Penerbit hendaklah bertanggungjawab di atas sebarang urusan pengeluaran dan Ilustrasi dan lain-lain bahan yang hendak digunakan. F

3. Tanggung Jawab Mengedit G

- (a) Pengarang bersetuju untuk mengedit dahulu Buku yang hendak dihantar kepada Penerbit. Penerbit tidak bertanggungjawab atas sebarang kesilapan dari segi isi dan susunan bahasa Buku tersebut. Jika Pengarang tidak mampu berbuat demikian, Pengarang hendaklah mencari orang lain yang berkelayakan untuk membuat kerja-kerja penyuntingan. Kos untuk tujuan itu ditanggung oleh Pengarang. H
- (b) Pengarang hendaklah bertanggungjawab dan menepati tarikh yang ditetapkan untuk mengembalikan semula Buku yang diluluskan jika dikehendaki oleh Penerbit untuk menguruskan penyusunan indeks di atas tanggungan Pengarang, perbelanjaan untuk tujuan itu akan ditanggung oleh Penerbit. I

- A** 4. Hakcipta Pengarang adalah dilarang sama sekali meniru bahan daripada man-mana buku daripada penerbit lain untuk mengelakan pendakwaan kelak walaupun buku tersebut hasil karangan Pengarang sendiri.
- Segala pendakwaan adalah bawahan tanggungjawab Pengarang jika dapati mengulangi atau peniruan bahan terhasil daripada Pengarang.
- B** Pengarang hendaklah membenarkan Penerbit menggunakan bahan-bahan hasil Pengarang untuk tujuan terbitan buku.
5. Persetujuan untuk Penerbitan
- C** Penerbit hendaklah mencetak dan menerbitkan Buku mengikut syarat dan peraturan secepat mungkin selesai skrip lengkap termasuk kandungan isi, Illustrasi dan indeks yang telah dihantar kepada Penerbit kecuali berlaku peperangan, tunjuk perasaan dan lain-lain peristiwa yang di luar kawalan penerbit. Penerbit tidak bertanggungjawab atas sebarang kerosakan atau kehilangan Buku ketika ia dalam proses penulisan atau penghantaran oleh Pengarang.
- D** 6. Pindaan
- Pengarang bersetuju dengan sebab yang munasabah BUKU dipinda oleh penerbit seperti penambahan, pengurangan, atas teks atau Illutrasi dikeluarkan daripada Buku atau sebab-sebab teknikal.
- E** 7. Pengeluaran
- Segala butir-butir pengeluaran, penerbitan, pengikhlanan, harga dan kuantiti cetakan terhadap Buku ditentukan oleh Penerbit termasuk penambahan dan pengurangan harga Buku.
- F** 8. Bayaran/Diskaun/Royalti
- Pengarang bersetuju menerima Royalti 15% dari harga invois. Royalti akan mengira dari 12 bulan calendar dari tarikh launching.
- G** [18] The defendants in the authors' suit were then paid advance royalty payment amounting to RM2,500 per person by the plaintiff respectively. The books were targeted to be published and sold in 2018.
- H** [19] After having received the manuscripts from the defendants in the authors' suit, the plaintiff reviewed them and notified the defendants in the authors' suit to revise 11 out of 20 of them pursuant to cl 15 of the commissioning letters.
- I** [20] However, the defendants in the authors' suit did not respond to the plaintiff and the plaintiff sent an email reminder to them on 19 September 2017.
- [21] On or around 25 September 2017, the plaintiff was verbally informed by the first defendant in the authors' suit that all of the defendants therein are

no longer interested to continue with the plaintiff to jointly publish the books. A meeting was held in end September 2017 between the parties but it was inconclusive.

A

[22] The plaintiff then by email notified the defendants in the authors' suit that the revision of the aforesaid 11 manuscripts be put on hold as from 9 October 2017. As the result, the printing of the books were also suspended.

B

[23] The defendants in the authors' suit then on 29 January 2018 wrote to the plaintiff to demand for their royalty payment and the plaintiff on 1 February 2018 replied that the defendants were required to return to the plaintiff the 20 executed memorandums of agreement. The plaintiff issued a reminder to them on 5 February 2018. On 28 February 2018, the defendants responded that they have not received the royalty payment and the plaintiff replied on 7 March 2018 clarified on the mode of royalty payment.

C

D

[24] In the meantime between December 2017 and March 2018, the defendants in the authors' suit and the defendant in the printer's suit were in communication and the former handed over the manuscripts of many of the books for publication by the latter.

E

[25] As the result, the defendant in the printer's suit published and commenced selling the following books:

(a) DMB 1113: Amalan Keselamatan, Persekitaran dan Kesihatan;

F

(b) DMB 1122: Reka Bentuk dan Simbol Kimpalan;

(c) DMB 1253: Proses Kimpalan 1 (Welding Process 1);

(d) DMB 1332: Proses Pemotongan dalam Kimpalan;

G

(e) MTK 1012: Amalan dan Prosedur Keselamatan;

(f) MTK 1023: Bahan dan Bahan Luak;

(g) MTK 1032: Pemotongan Mekanikal;

(h) MTK 1043: Proses Kimpalan Arka Berperisai 1;

H

(i) MTK 3012: Heat Treatment and Pre Heating Process 3;

(j) MTK 3023: Shielded Metal Arc Welding Process 3;

(k) MTK 3043: Shielded Metal Arc Welding Process 4;

(l) MTK 7014: Welding Process 3;

I

(m) MTK 7023: Welding Supervision; and

(n) MTK 7033: Welding Quality Assurance Plan (collectively 'infringing books').

- A [26] Consequently, the plaintiff filed the printer's suit on 18 April 2018 and the authors' suit on 31 July 2018 respectively.

CONTENTIONS AND FINDINGS

- B [27] According to the parties as set out in their closing written submissions and re-confirmed by counsel during clarification on 28 February 2019, there is only a single principal issue for determination at this stage, to wit; the owner of the copyright in the books. Thus they conceded if it is found that the copyright in the books reside with the defendants in the authors' suit; then the plaintiff's claims in both suits must be dismissed. Conversely if the copyright in the books is found to reside with the plaintiff; then the plaintiff's claims in both suits must be allowed.
- C
- D [28] The defendants in the authors' suit submitted they never agreed to the commissioning letters. Consequently the contractual documents between the plaintiff and them are only the memorandums of agreement. There is however no term that deals with the ownership of copyright in the books in the memorandums of agreement; hence the copyright in the books resides with them.
- E

- [29] The plaintiff in opposition submitted that the contract documents that govern the defendants in the authors' suit and the plaintiff are both the commissioning letters and memorandums of agreement. It is crystal clear by virtue of cll 16 and 17 of the commissioning letters that the defendants in the authors' suit have assigned or transferred their copyright in the books to the plaintiff. The copyright therefore resided with the plaintiff and the defendants in the authors' suit did not have the right to appoint the defendant in the printer's suit to publish the infringing books using the manuscripts produced by them.
- F
- G

- [30] The sole principal issue for determination has to be decided in two steps, viz:
- H (a) what are the binding contract documents? and
(b) accordingly, who owns the copyright in the books?

CONTRACT DOCUMENTS

- I [31] It is not in dispute that the memorandums of agreement are contract documents which are binding on the parties. The dispute pertains to the commissioning letters only and this is essentially a question of fact.

[32] Nonetheless it not in dispute that the commissioning letters were executed by the all of the defendants in the authors' suit; thus they bear both the legal and evidential burden to satisfy the court as to why these commissioning letters do not also form the contract documents that bind the parties.

A

B

[33] The defendants in the authors' suit claimed at the trial that do not understand the contents of the commissioning letters which are written in the English language because they are not well versed with the English language. In this regard, DW2 who is a retired teacher of 60 years in age testified the following during cross examination as seen in the notes of proceedings:

C

Q: Ok. Jadi, apa tu, penguasaan atau pemahaman bahasa Inggeris itu adalah memuaskan saya katakan?

A: Ya.

D

Q: Ok. Dan juga dalam proses menulis buku-buku yang dikarang, yang telah ditunjukkan dalam Mahkamah ini, juga ada membuat rujukan dalam bahan-bahan dalam bahasa Inggeris?

A: Ya.

E

Q: Setuju? Jadi, saya katakan bahawa jawapan En Jalal bahawa En Jalal itu tidak fasih dalam bahasa Inggeris itu tidak boleh diterima?

A: Saya boleh membaca. Tetapi kefahaman is another thing. Sama ada saya faham atau tidak, itu adalah perkara yang lain. Saya boleh membaca bahasa Inggeris, tapi saya ... ada perkara mengenai teknikal dan perundangan, saya kena rujuk dengan orang yang lebih faham. Saya tak faham.

F

Next, DW3 who is a teacher of 40 years in age testified the following during cross-examination as seen in the notes of proceedings:

G

Q: Setuju saya katakan ada lebih kurang satu jam untuk Defendan-Defendan termasuk kamu untuk meneliti isi kandungan commissioning letter itu? Ada ke tak ada, ada masa tak?

A: Ada masa baca tapi tak berapa faham.

H

Q: Tak berapa faham?

A: Dan surat tak ada penjelasan.

Q: Tapi Puan adalah kelulusan Master degree, betul?

I

A: Ya, betul.

Thereafter DW4, a graduate teacher of 46 years in age testified the following under cross-examination as seen in the notes of proceedings:

- A** Q: Baik. Saya rujuk kepada commissioning letter ya. Memandangkan ia sangat penting dalam prosiding ini. Muka surat 23, ya. Bahagian yang ahkir sekali. Tadi En Masnawi kata bahasa Inggeris tu tak sebegitu baik, ya. Boleh tak terangkan sikit sampai tah apa yang kamu punya kemahiran bahasa Inggeris tu macam mana? Tak, I belum rujuk lagi.
- B** A: Oh. Saya ni bahasa Innnggeris, kalau setakat baca, saya boleh bacalah. Tapi mungkin sebutan, intonasi, mungkin tak betullah.
- Q: Boleh bacalah sebutan, maksudnya —
- C** A: Tapi kalau pemahaman, saya bahasa Inggeris, memang out. Memang tak tahu.
- Q: Tapi setuju tak saya katakan dalam kesemua 20 buku tu, ada rujukan pada istilah-istilah bahasa Inggeris? Setuju atau pun tidak?
- A: Ok.
- D** Q: Tak, setuju atau pun tidak ada rujukan kepada bahasa Inggeriskan?
- A: Ada.
- Q: So saya cadangkan bahwa memang asas sebagai seorang guru, bahasa Inggeris tu ada di sana. Tahap tu ada, yang basic tu.
- E** A: Saya menggunakan Google translate. Walaupun saya ambil benda tu daripada internet bahasa Inggeris, saya Google translate dulu kepada bahasa Melayu, kemudian saya editing semua saya buat dalam bahasa Melayu. Kalau andai kata saya ambil bahasa Inggeris saya nak editing secara spontan, memang out.
- F** Q: So maksud you, you langsung tak fahamlah.
- A: Saya langsung tak faham.
- G** Finally, DW5 who is also a graduate teacher of 46 years in age testified the following under cross-examination as seen in the notes of proceedings:
- Q: Baik, jadi setuju atau pun tidak saya katakan dalam se tengah jam itu sebenarnya kamu mempunyai masa dan peluang yang mencukupi untuk meneliti setiap persatu terma-terma dalam commissioning letter, setuju atau pun tidak?
- H** A: Saya tak setuju, sebab —
- Q: Ok, tak setuju —
- I** A: Dahlah dalam bahasa Inggeris.
- Q: Tak setuju tak apa. Dalam bahasa Inggeris, baik kamu katakan kamu tak faham, Adakah kamu tanya?
- A: Maksudnya?

Q: Adakah kamu bertanya kepada wakil LP iaitu Ms Tee menyatakan bahawa — A

A: Ok.

...

Q: Ada tanya ke tidak dalam setengah jam itu? B

A: Saya tak tanya.

[34] I find that the defendants in the authors' suit are not illiterate in the English language. They have in fact a good working knowledge of the English language but they portrayed otherwise in attempt to gain sympathy of the court. I hence find that they understood the contents of the commissioning letters which are not written in complex language. Otherwise, they would not be able to write several of the infringing books which are wholly in the English language. D

[35] That notwithstanding and though denied by all the defendants, I prefer the testimony of DW2 who testified that she read and explained the contents of the commissioning letters to them. In this respect, I also took into account the duration of the meeting between them on 30 May 2016 that lasted about 3–4 (9am–1pm) hours which is indicative that they must have discussed their joint venture including the contents of the commissioning letters at length in detail. E

[36] The defendants in the authors' suit also contended that in meeting the plaintiff on 30 May 2016, they only sought the plaintiff's services as printers and not publishers of their manuscripts. They therefore had no intention of losing their copyright in the manuscripts. In this connection, they understood and were assured that their execution of the commissioning letters was so premised. They were also promised that the executed commissioning letters would be superseded by a future agreement. F

[37] In the case of *Malayan Banking Bhd v Marilyn Ho Siok Lin* [2006] 7 MLJ 249, David Wong J (now CJ (Sabah and Sarawak)) held as follows: H

[13] Firstly the defendant alleges that she has no knowledge of the nature of a BBA banking facility as nobody explained to her. This allegation is in fact a plea of *non est factum*. The legal principle of this plea is aptly summarised by Dato' Seri Visu Sinnadurai in his book *Law of Contract* (3rd Ed) at p 319 as follows: I

6.34 Principles of law governing the plea of *non est factum*.

The law on *non est factum* was reviewed and restated by the House of Lords in *Sounders v Anglia Building Society (Gallie v Lee)*. The House of Lords spelt out the following principles of law governing the plea of *non est factum*:

- A (a) The plea of *non est factum* can only rarely be established by a person of full capacity and although it is not confined to the blind and illiterate, any extension of the scope of the plea would be kept within narrow limits. In particular, it is unlikely that the plea would be available to a person who signed a document without informing himself of its meaning.
- B (b) The burden of establishing a plea of *non est factum* falls on that party seeking to disown the document and that party must show that in signing the document he acted with reasonable care. Carelessness (or negligence devoid of any special, technical meaning) on the part of the person signing the document would preclude him from later pleading *non est factum* on the principle that no man may take advantage of his own wrong; It is not, however, an instance of negligence by way of estoppel.
- C (c) In relation to the extent and nature of the difference between the document as it is and the document as it was believed to be, the distinction formerly drawn between the character and the contents of the document is unsatisfactory and it is essential, if the plea is to be successful, to show that there is a radical or fundamental distinction.
- D

E [38] The excuses afforded by the defendants in the authors' suit are akin to a *non est factum* plea notwithstanding that this was not expressly so pleaded by them.

F [39] Be that as it may, I find and hold that the defendants in the authors' suit did not adduce any cogent evidence that satisfactorily supported the defence of *non est factum*. This is because they comprehended the contents of the commissioning letters as found by me. Even if they were truly not able to comprehend them, they were careless for not asking for a postponement to seek legal advice before executing them. Furthermore I find the excuse that they were only seeking the services of the plaintiff's printers unbelievable because if that was the case, there would have been evidence of discussion and payment of printing charges to the plaintiff instead of payment of royalties by the plaintiff to them as evidenced by the uncontroverted part payment of RM2,500 per person.

G

H [40] In the circumstance and from my objective construction of cl 19 of the commissioning letters, I find that the commissioning letters are indeed contract documents that bind the parties.

I [41] I noted that the terms on copyright and contractual status of the agreements are as set out in cll 16 and 17 as well as cl 19 of the commissioning letters respectively. They are plain and clear to me. By cl 16, the defendants in the authors' suit have transferred by way of assignment of their copyright in the manuscripts of the books to the plaintiff and accordingly by cl 17, they are prohibited from again dealing with other parties on the same. Moreover by

cl 19, the parties envisaged the execution of a further written agreement in respect of terms not dealt with in the commissioning letters. These are the plain intentions of the parties as construed from the four corners of the document following the Court of Appeal case of *Asiapools (M) Sdn Bhd v IJM Construction Sdn Bhd* [2010] 3 MLJ 7.

A

B

COPYRIGHT IN THE BOOKS

[42] It is provided as follows in ss 10, 26 and 27 of the Copyright Act 1987 ('the CA'):

C

10 Qualification for protection

- (1) Copyright shall subsist in every work eligible for copyright of which the author or in the case of a work of joint authorship, any of the authors is, at the time when the work is made, a qualified person.
- (2) Copyright shall also subsist in every work which is eligible for copyright and which —
 - (a) being a literary, musical or artistic work or film or sound recording is first published in Malaysia;
 - (b) being a work of architecture is erected in Malaysia or being any other artistic work is incorporated in a building located in Malaysia;
 - (c) being a broadcast is transmitted from Malaysia.
- (3) Notwithstanding subsections (1) and (2), copyright shall subsist, subject to this Act, in every work eligible for copyright if the work is made in Malaysia.

D

E

F

26 First ownership of copyright

- (1) Copyright conferred by section 10 shall vest initially in the author.
- (2) Notwithstanding subsection (6) of section 27, where a work —
 - (a) is commissioned by a person who is not the author's employer under a contract of service or apprenticeship; or
 - (b) not having been so commissioned, is made in the course of the author's employment,the copyright shall be deemed to be transferred to the person who commissioned the work or the author's employer, subject to any agreement between the parties excluding or limiting such transfer.
- (3) Copyright conferred by section 11 shall vest initially in the Government, Government organization or international body and not in the author.
- (4) Subject to subsection (3) —
 - (a) the name on a work purporting to be the name of its author shall be considered as such, unless the contrary is proved;

G

H

I

- A** (b) in the case of a anonymous or pseudonymous work, the publisher whose name is indicated in the work as such shall be deemed to be, unless the contrary is proved, the legal representative of the anonymous or pseudonymous author and shall be entitled to exercise and protect the rights belonging to the author under this Act;
- B** (c) in the case of unpublished work where the identity of the author is unknown, but where there is every reason to presume that he is a citizen of Malaysia, the copyright conferred by this Act shall be deemed to vest in the Minister charged with the responsibility for culture.
- C** (5) Paragraphs (b) and (c) of subsection (4) shall cease to apply when the identity of the author becomes known.
- 27 Assignment, licenses and testamentary disposition
- D** (1) Subject to this section, copyright shall be transferable by assignment, testamentary disposition, or by operation of law, as movable property.
- (2) An assignment or testamentary disposition of copyright may be limited so as to apply only to some of the acts which the owner of the copyright has the exclusive right to control, or to only part of the period of the copyright, or to a specified country or other geographical area.
- E** (3) No assignment of copyright and no licence to do an act the doing of which is controlled by copyright shall have effect unless it is in writing.
- (4) An assignment or licence granted by one copyright owner shall have effect as if the assignment or licence is also granted by his co-owner or co-owners, and subject to any agreement between the co-owners, fees received by any of the owners shall be divided equally between all the co-owners.
- F** (5) For the purposes of this section, persons shall be deemed to be co-owners if they share a joint interest in the whole or any part of a copyright.
- G** (6) An assignment, licence or testamentary disposition may be effectively granted or made in respect of a future work, or an existing work in which copyright does not yet subsist, and the future copyright in any such work shall be transferable by operation of law as movable property.
- H** (7) Where under a testamentary disposition, whether specific or general, a person is entitled beneficially or otherwise, to the manuscript of a literary or musical work, or to an artistic work, and the work has not been published before the death of the testator, the testamentary dispositions shall, unless a contrary intention is indicated in the testator's will or a codicil thereto, be construed as including the copyright in the work in so far as the testator was the owner of the copyright immediately before his death.
- I**

[43] Thus by cl 16 of the commissioning letters read together with s 27(1)

and (3) of the CA, it is plain that copyright in the manuscripts of the books which resided with the defendants in the authors' suit as authors (if any, but see para 45 below) has been assigned to the plaintiff and I so find and hold accordingly; see also *Hexagon Tower Sdn Bhd v Polydamic Holdings Sdn Bhd & Ors* [2005] 1 LNS 77 and *Rock Records (M) Sdn Bhd v Audio One Entertainment Sdn Bhd* [2005] 3 MLJ 552; [2005] 1 CLJ 200.

[44] I am mindful the defendants in the authors' suit, to wit DW2–DW5 have all contended that the copyright in the manuscripts of the books resided with them because the later memorandums of agreement made no provision in respect of copyright in the manuscripts. PW1 however understood it otherwise and testified that the memorandums of agreement are meant to enhance the commissioning letters. In my opinion, the contention of the defendants in the authors' suit is fallacious because the memorandums of agreement did not supersede but instead supplement the commissioning letters upon the objective interpretation of cl 19 of the commissioning letters. It might only have been so if there was an entire agreement clause in the memorandums of agreement but this is not such a case: see *Inntrepreneur Pub Co (GL) v East Crown Ltd* [2000] 2 Lloyd's Rep 611; [2000] 3 EGLR 31 which was adopted by the Federal Court in *Solid Investments Ltd v Alcatel-Lucent (M) Sdn Bhd (previously known as Alcatel Network Systems (M) Sdn Bhd)* [2014] 3 MLJ 785; [2014] 3 CLJ 73.

[45] That notwithstanding and even if the memorandum of agreements are the only binding contractual documents between the parties, I nonetheless find and hold that the copyright in the manuscripts of the books could not still have resided with the defendants in the authors' suit because the copyright in them has already been assigned away to the plaintiff upon the execution of the commissioning letters. This assignment stood on an independent footing and cl 16 of the commissioning letters may be treated as merely evidence of the assignment. Alternatively by virtue of s 26(2) of the CA, I find and hold that the defendants in the author's suit never had copyright in the manuscripts of the books in the first instance because it was the plaintiff who commissioned them to undertake the same. In this regard, I followed the English case of *Trimingham v Associated Newspapers Ltd* [2012] EWHC 1296 (QB) where commissioning was held to mean that there must be an obligation on the part of the commissioned party to produce the work and an obligation on the part of the commissioning party to pay money or money's worth. The copyright thus always resided with the plaintiff in the circumstances of this case.

[46] For completeness, I am aware that the defendants in the suits have also contended that the agreements relied upon by the plaintiff were not stamped and hence inadmissible albeit this was never pleaded by them. This unpleaded contention cannot however be entertained following the Federal Court case of

- A *RHB Bank Bhd (substituting Kwong Yik Bank Bhd) v Kwan Chew Holdings Sdn Bhd* [2010] 2 MLJ 188. In any event, I find that the memorandums of agreement were in fact stamped and the plaintiff had paid penalty for late stamping. This is in my view sufficient in respect of both the commissioning letters and memorandums of agreement which are read together for purposes of s 52 of the Stamp Act 1949.
- B

[47] Consequently, the copyright in the manuscripts of the books plainly belongs to the plaintiff at all material times.

- C [48] As the result and as conceded to by the defendants in the authors' suit as alluded to in para 27 above, the defendants are thus liable to the plaintiff for breach of contract particularly cl 17 of the commissioning letters by their dealing with the defendant in the printer's suit to publish the infringing books.
- D They have in this regard used the plaintiff's copyright without authority by way of producing manuscripts of the infringing books. In consideration thereof, they received a higher royalty payment from the defendant in the printer's suit.

- E [49] Likewise and as also conceded by the defendant in the printer's suit as alluded to in para 27 above, the defendant is hence liable to the plaintiff for copyright infringement by publishing the infringing books and distributing them for sale in many vocational schools throughout Malaysia; see s 36 of the CA and the Court of Appeal case of *Elster Metering Limited & Anor v Damini Corporation Sdn Bhd & Anor* [2012] MLJU 1753; [2012] 1 LNS 959. The copyright infringement is seen by comparison of the books versus the infringing books in the pages as set out in Appendix A1 of the plaintiff's amended statement of claim in the printer's suit.
- F

G CONCLUSION

- [50] For the foregoing reasons, I therefore enter judgment for the plaintiff against the defendant in the printer's suit in terms of para 16 of the amended statement of claim — prayers (a) and (b) as well as ((c) and (ca) or (d) and (e)) to be assessed by the registrar, (f) and costs of RM20,000. I also enter judgment for the plaintiff against the defendants in the authors' suit in terms of para 32 of the statement of claim — prayers (a), (b) and (c) as well as ((d) and (e)) to be assessed by the registrar, (f) and costs of RM40,000. The costs are subject to 4% allocatur.
- H

- I *Plaintiff's claims allowed with costs of RM20,000 for the printer's suit and 40,00 respectively for the author's suit.*

Reported by Izzat Fauzan